

HOUSE BILL NO. 381

INTRODUCED BY M. NOENNIG

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING CERTAIN PROPERTY TAX LAWS AS THEY RELATE TO MULTIPLE, UNDIVIDED INTERESTS IN A PARCEL OF LAND; ALLOWING THE DEPARTMENT OF REVENUE TO SEND THE NOTICE OF CLASSIFICATION AND APPRAISAL TO A SINGLE OWNER OF A MULTIPLE, UNDIVIDED INTEREST IN A PARCEL OF LAND; REQUIRING THE DEPARTMENT OF REVENUE TO FURNISH THE NAMES OF THE OWNERS OF MULTIPLE, UNDIVIDED INTERESTS IN A PARCEL OF LAND TO THE COUNTY TREASURER; ESTABLISHING A LIEN FOR AN OWNER WHO REDEEMS A PROPERTY TAX LIEN FOR OTHER OWNERS OF A MULTIPLE, UNDIVIDED INTEREST IN A PARCEL OF LAND; AMENDING SECTIONS 15-7-102 AND 15-18-112, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Notice of classification and appraisal to single address for owners of undivided interest.** (1) (a) Subject to subsection (2), in the case of multiple, undivided interests in a parcel of land, the department shall send the notice of classification and appraisal required by 15-7-102 to a single owner of the land, as provided in this section.

(b) Except as provided in subsection (1)(c), the owners of the land shall provide to the department the name and address of the owner to whom the notice is to be sent and shall notify the department of a change in name or address. If an address is not provided, then the department shall send the notice to the address to which previous notices were sent.

(c) In the case of multiple, undivided interests in a parcel of land created after [the effective date of this act], the department shall send the notice to the name and address shown on the recorded document creating the multiple, undivided interests in the land. If more than one name and address is shown on the document, the department shall send the notice to the first name and address shown on the document.

(2) A copy of the notice must be sent to other persons upon request of an owner of the land. IF A PARCEL OF LAND IS LOCATED WITHIN THE BOUNDARIES OF A FEDERALLY RECOGNIZED INDIAN RESERVATION, EACH

1 INDIVIDUAL FEE PATENT, EVEN WHEN IT IS AN UNDIVIDED INTEREST, WILL BE TREATED AS A SEPARATE ASSESSMENT AND
2 RECEIVE A SEPARATE NOTICE OF CLASSIFICATION AND APPRAISAL.

3
4 NEW SECTION. SECTION 2. LIST OF OWNERS OF MULTIPLE, UNDIVIDED INTERESTS IN PARCEL OF LAND TO
5 COUNTY TREASURER. (1) THE DEPARTMENT SHALL FURNISH TO THE COUNTY TREASURER THE NAMES AND, IF AVAILABLE,
6 THE ADDRESSES OF THE OWNERS OF EACH MULTIPLE, UNDIVIDED INTEREST IN A PARCEL OF LAND LOCATED WITHIN THE
7 COUNTY. THE DEPARTMENT SHALL INFORM THE COUNTY TREASURER THAT THE LIST OF NAMES MAY NOT INCLUDE EVERY
8 OWNER OF THE PARCEL OF LAND.

9 (2) IF A PARCEL OF LAND WITH UNDIVIDED INTERESTS IS LOCATED WITHIN THE BOUNDARIES OF A FEDERALLY
10 RECOGNIZED INDIAN RESERVATION, A COPY OF THE NOTICE OF CLASSIFICATION AND APPRAISAL SHALL BE PROVIDED TO
11 THE TRIBE OR TRIBES GOVERNING THE RESERVATION. THE DEPARTMENT AND THE TRIBE MAY AGREE ON A DIFFERENT
12 PROCEDURE WHICH PROVIDES THE EQUIVALENT INFORMATION TO THE TRIBAL GOVERNMENT.

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14 **Section 3.** Section 15-7-102, MCA, is amended to read:

15 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) ~~The~~ Except as
16 provided in [section 1], the department shall mail to each owner or purchaser under contract for deed a
17 notice of the classification of the land owned or being purchased and the appraisal of the improvements
18 on the land only if one or more of the following changes pertaining to the land or improvements have been
19 made since the last notice:

- 20 (i) change in ownership;
21 (ii) change in classification;
22 (iii) except as provided in subsection (1)(b), change in valuation; or
23 (iv) addition or subtraction of personal property affixed to the land.

24 (b) After the first year, the department is not required to mail the notice provided for in subsection
25 (1)(a)(iii) if the change in valuation is the result of an annual incremental change in valuation caused by the
26 phasing in of a reappraisal under 15-7-111 or the application of the exemption under 15-6-201 or caused
27 by an incremental change in the tax rate.

28 (c) The notice must include the following for the taxpayer's informational purposes:

- 29 (i) the total amount of mills levied against the property in the prior year; and
30 (ii) a statement that the notice is not a tax bill.

1 (d) Any misinformation provided in the information required by subsection (1)(c) does not affect
2 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

3 (2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to
4 the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal
5 on a standardized form, adopted by the department, containing sufficient information in a comprehensible
6 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
7 changes over the prior tax year.

8 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
9 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
10 in 15-1-402.

11 (c) The department is not required to mail the notice of classification and appraisal to a new owner
12 or purchaser under contract for deed unless the department has received the transfer certificate from the
13 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required
14 by subsection (2)(a) are mailed. The department shall notify the county tax appeal board of the date of the
15 mailing.

16 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
17 market value of the property as determined by the department or with the classification of the land or
18 improvements, the owner may request an assessment review by submitting an objection in writing to the
19 department, on forms provided by the department for that purpose, within 30 days after receiving the
20 notice of classification and appraisal from the department. The review must be conducted informally and
21 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
22 of the review, the department may consider the actual selling price of the property, independent appraisals
23 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
24 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
25 of the time and place of the review. After the review, the department shall determine the correct appraisal
26 and classification of the land or improvements and notify the taxpayer of its determination. In the
27 notification, the department shall state its reasons for revising the classification or appraisal. When the
28 proper appraisal and classification have been determined, the land must be classified and the improvements
29 appraised in the manner ordered by the department.

30 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust

1 an appraisal or classification upon the taxpayer's objection unless:

2 (a) the taxpayer has submitted an objection in writing; and

3 (b) the department has stated its reason in writing for making the adjustment.

4 (5) A taxpayer's written objection to a classification or appraisal and the department's notification
5 to the taxpayer of its determination and the reason for that determination are public records. The
6 department shall make the records available for inspection during regular office hours.

7 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
8 after the review provided for in subsection (3), the property owner has the right to first appeal to the
9 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the
10 right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after
11 notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state
12 tax appeal board may consider the actual selling price of the property, independent appraisals of the
13 property, and other relevant information presented by the taxpayer as evidence of the market value of the
14 property. If the county tax appeal board or the state tax appeal board determines that an adjustment
15 should be made, the department shall adjust the base value of the property in accordance with the board's
16 order."

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18 **Section 4.** Section 15-18-112, MCA, is amended to read:

19 **"15-18-112. Redemption from property tax lien -- lien on interest in property for taxes paid.** (1)

20 Except as provided in subsection ~~(3)~~ (4), in all cases ~~where~~ in which a property tax lien has been acquired,
21 the purchaser may pay the subsequent taxes assessed against the property.

22 (2) Upon the redemption of the property from the property tax lien, the redemptioner shall, in
23 addition to the amount for which the property tax lien was sold, including penalties, interest, and costs,
24 pay the subsequent taxes assessed, with interest and penalty ~~thereon~~ at the rate established for delinquent
25 taxes in 15-16-102.

26 (3) An owner of less than all of the interest OR A LIENHOLDER WITH AN INTEREST in real property who
27 redeems a property tax lien on the property has a lien for the taxes paid on the interests of the property
28 that are not owned by the redemptioner.

29 ~~(3)~~(4) The property tax lien may also be redeemed for a particular tax year by a partial payment
30 of that tax year, as provided in 15-16-102(5), if:

- 1 (a) the property tax lien for the year in which the partial payment is made is owned by the county;
2 and
3 (b) the tax deed has not been issued pursuant to 15-18-211."

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5 NEW SECTION. Section 5. Codification instruction. (1) [Section 1] is intended to be codified as
6 an integral part of Title 15, chapter 7, part 1, and the provisions of Title 15, chapter 7, part 1, apply to
7 [section 1].

8 (2) [SECTION 2] IS INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 15, CHAPTER 8, PART 7, AND THE
9 PROVISIONS OF TITLE 15, CHAPTER 8, PART 7, APPLY TO [SECTION 2].

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11 NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval.

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13 NEW SECTION. Section 7. Retroactive applicability. [This act] applies retroactively, within the
14 meaning of 1-2-109, to property tax years beginning after December 31, 2000.

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